

EXHIBIT H (Part II)



8. Upon review and confirmation that all documents are in good order, advising bank shall release payment to vendor.
9. Circuit City shall be contacted by advising bank if there are discrepancies or issues with the documents presented by vendor.

In order to further facilitate the process, please adhere to the guidelines below:

- All banking fees associated with a L/C (opening the L/C and any subsequent amendments) will be the paid by the beneficiary (i.e., vendor).
- A Pro Forma Invoice which contains vendor's banking information and L/C instruction on Vendor Letter Head must be provided prior to the L/C being opened.
- Beneficiary name must be mutually agreed to and documented by Circuit City and vendor. Any other future changes must similarly be mutually agreed to and documented before taking effect. The Circuit City standard is the Vendor Name set-up in our Accounts Payable system.
- Once a L/C is issued it is irrevocable, without prior agreement of both parties.
- L/C set-up typically takes 5-10 business days.
- All required documentation must be submitted to the advising bank by the expiration date on the L/C. The advising bank then has 7 days to review the documents and forward to the issuing bank. If these deadlines are not met, the L/C will be considered expired.
- In case a L/C has expired or will expire within 7 days, Circuit City reserves the right to pay through check or wire.
- All L/C related questions should be directed to Circuit City Buyer for the product.

6. Import Vendor Supply Chain Standards

6.1 Import Vendor Supply Chain Standards Overview

Circuit City's Import Vendor Supply Chain Standards are part of a broader vendor performance and supply chain improvement effort. We recognize that optimizing our supply chain requires collaborative effort between our vendors, our logistics service providers and ourselves. The Import Vendor Supply Chain Standards section outlines the critical metrics that Circuit City will monitor and establishes a set of guidelines for the basic terms with which we will do business with our vendors.

On a monthly basis, all vendors will receive a report card indicating their performance against the Supply Chain standards. This report card will also detail any financial assessments to be applied as a result of missed performance standards. In addition, the monthly report cards will serve as a starting point for root cause analysis and collaborative problem-solving discussions. They will also serve as an ongoing tool to track supply chain improvement. The Import Vendor Supply Chain Standards only apply to products specifically imported under Circuit City control.



The details of the Import Vendor Supply Chain Standards program are explained in the following pages.

6.2 Supply Chain Metrics

The Supply Chain Metrics outlined in this section measure a vendor's performance versus Circuit City's expectations regarding the order fulfillment process. The graphs below give an overview of the metrics in terms of the measures and targets for vendor's performance, and each measure and target is described in more particular detail following the graphs.

Measure	Target
On Time Tender: Total Cost (in US\$) of units tendered on-time divided by Total Cost (in US\$) of all units scheduled to be tendered	>=90%
Customs documentation supplied to freight forwarder: On time submission of documentation; Total number of submissions on time divided by Total number of submissions	100%
Accurate submission of documentation: Total number of accurate submissions divided by Total number of submissions	>=98%
Cargo booking date Total number of shipments booked on time divided by total number of shipments booked	100%
Commercial shipping documents supplied to Circuit City: Accurate submission of shipping documentation; Total number of accurate invoices divided by Total number of invoices	>=98%
On time submission of shipping documentation: Total number of accurate invoices divided by Total number of invoices	Shipping Document submission date < (Estimated Time of Departure + 2 days)

6.2.1 On Time Tender (OTT)

A shipment is considered to be on time if the Actual Tender Date (ATD) at either the container yard (if FCL) or container freight station (if LCL) is within the time-frame specified on the PO through the Tender Not Before and Tender Not After dates (known as the "Tender Window"). On time tender performance will be calculated separately for each class of merchandise as follows:

$$\text{On Time Tender (OTT)} = \frac{\text{Total Cost (in US$) of units tendered on time}}{\text{Total Cost (in US$) of all units scheduled to be tendered}} \times 100\%$$

Vendor target for On Time Tender is greater than 90%

Every purchase order issued by Circuit City will include a 'Tender Not Before' and a 'Tender Not After' date (known as the "Tender Window"). A product shipment will be considered on time if the product is tendered to Circuit City's freight forwarder within the tender window (five calendar days). To help facilitate this process, our freight forwarder will contact the vendor to request and remind the vendor the goods will need to be tendered within the "Tender Window".

Example Tender Window : Tender Not Before date: 5/17/2004
Tender Not After date: 5/21/2004

If a shipment is tendered to the freight forwarder before 5/17/2004 by the vendor the shipment is early. If the shipment is tendered to the freight forwarder after 5/21/2004 by the vendor, the shipment is late.

6.2.2 On Time and Accurate Submission of Customs Documentation to freight forwarder

If the vendor submits all required U.S. Customs documentation (as provided in this Guide) within 3 days after the vessel sets sail and the documentation is accurate (i.e. complies with the requirements outlined in this Guide) the submission is considered accurate and on time.

6.2.3 On Time Document Submission to Circuit City Stores, Inc.:

6.2.3.1 Accurate and Timely Shipping Document Submission Overview

If the commercial shipping documents contain all Circuit City defined data elements (as defined in this Guide) and are accurately filled in the first time it is submitted, the commercial shipping documents are considered to be accurate and timely.

6.2.3.2 Accurate shipping document submission:

Category	Percentage
Accurate shipping document submission	98%

Vendor target for accurate shipping document submission is greater than 98%.

6.2.3.3 On Time shipping document submission:

If the Shipping Documents are received more than 2 days after the estimated time of departure the Shipping Documents are considered to be late.

Example: shipping document submission date > (Estimated Time of Departure + 2 days)
= Late shipping document assessment

Category	Percentage
On Time shipping document submission	98%

Vendor target for accurate document submission is greater than 98%.

6.3 Financial Assessments

In order to maintain effective operations, the guidelines in this manual must be followed precisely. Any deviation from the outlined processes and policies will result in extra time and resources on the part of Circuit City and its service providers. As a result, the infractions detailed in the chart below may result in a financial assessment charged to the vendor. Though financial assessments are determined on a transactional basis, Circuit City will conduct chargebacks/financial assessments on a monthly basis only.

6.3.1 On Time Tender Assessment Schedule

At the end of every month, you will be evaluated to determine if you achieved the target performance for the month. If you supply Circuit City with multiple classes of merchandise (based on Circuit City's classification system), you will be evaluated separately for each class of merchandise. For any month in which you have a class of merchandise that fails to achieve the target of at least 90% on time tender performance, assessments for all early and late product shipped within the class will be calculated.



The following chart outlines the assessment penalty for each day of early or late tender.

Days Early/Late	Assessment Penalty	Category
10 days early	5.0% of invoice cost	Early
9 days early	4.5% of invoice cost	Early
8 days early	4.0% of invoice cost	Early
7 days early	3.5% of invoice cost	Early
6 days early	3.0% of invoice cost	Early
5 days early	2.5% of invoice cost	Early
4 days early	2.0% of invoice cost	Early
3 days early	1.5% of invoice cost	Early
2 days early	1.0% of invoice cost	Early
1 day early	1.0% of invoice cost	Early
On Time (0)	0% no assessment	On Time (Tendered in TNB - TNA)
1 day late	1.0% of invoice cost	Late
2 days late	1.0% of invoice cost	Late
3 days late	1.5% of invoice cost	Late
4 days late	2.0% of invoice cost	Late
5 days late	2.5% of invoice cost	Late
6 days late	3.0% of invoice cost	Late
7 days late	3.5% of invoice cost	Late
8 days late	4.0% of invoice cost	Late
9 days late	4.5% of invoice cost	Late
10 days late	5.0% of invoice cost	Late

If a vendor cancels a purchase order and Circuit City Stores, Inc. decides to hold the vendor accountable for the cancelled purchase order quantity, the vendor will be charged 5% of the total invoice cost of the units on the purchase order that was cancelled.

New vendors who sign this vendor guide will have two (2) full months of "shadow" (interim) reporting, in which no assessments will be made. Assessments, if any, will be made beginning with the third full month of your participation in the supply chain standards program.

6.3.2 Shipping Document Submission Assessments

Import vendors will be charged a financial assessment during the assessment period should their on time shipping document submission or accuracy level fall below the established targets.

The financial assessment will be as follows:

Infraction	Financial Assessment
Freight booking not made within 14 days before 'Do Not Tender Before' date	\$100 per Purchase Order
Late document submission to our freight forwarder (including late/missed due to inaccurate documents submitted.)	\$150 for 1 st offense + actual demurrage, if incurred \$250 for 2 nd offense + actual demurrage, if incurred \$500 for 3 rd offense + actual demurrage, if incurred
Shipping Document Accuracy or Shipping Document On-Time Submission	\$100 per violation

Late submission of 24-hour advanced manifest information	\$100 per violation
--	---------------------



6.4 Performance Reporting and Reconciliation Process

On a monthly basis you will receive a detailed account of any financial assessments and the supporting calculations for those assessments. You will then have a period of 30 days from the date of the report to file a Chargeback Claim (instructions on how to submit a claim are in the monthly report) to challenge any amounts assessed. Any claims filed to challenge the assessments must be submitted in written form to Circuit City along with detailed support as to why the assessments are incorrect. Circuit City will endeavour to respond to any such challenges within 30 days, but all challenges are resolved in accordance with Circuit City's sole discretion. If at the end of the resolution period, there are still assessments, you will see a deduction on your check remittance. All Supply Chain Standard's debits have an invoice number similar to "VPIM_MONTH_YEAR". In the event you are ever in a debit balance with Circuit City, you agree to remit payment of any such amounts to Circuit City by certified check or wire transfer within thirty (30) days of demand by Circuit City.

Appendix

7.1 Selected Sample Documents

	Document	Page #
1	Booking Request	34
2	Booking Mismatch Notice	35
3	Goods Leave Factory Notice	35
4	Packing List	36
5	Commercial Invoice	36
6	Documents Delay Notice (DDN)	38
7	Delayed Document Arrival (DDA)	38
8	Shipping Documents Receipt (SDR)	39
9	Forwarder's Cargo Receipt (FCR)	39
10	Container Manifest	40

1. Booking Request

#	Date/Event	Description
1	PO #	Unique PO identifier provided by Circuit City Stores, Inc.
2	Vendor name	Name of vendor
3	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
4	Unit quantity per SKU	Number of units for each SKU
5	Carton / overpack quantity	Number of cartons
6	Carton volume	Volume of carton in cubic feet
7	Carton weight	Gross weight of carton in pounds
8	Size and number of containers	Number and size of container requested (20', 40', 40'HC, 45')
9	Port of loading	Port at origin where goods will be loaded onto vessel
10	Port of discharge	Port in U.S. where goods will be off-loaded

11	Tender Not Before (TNB)	This is the first date the vendor can tender goods (bring containers) to the Container Yard. For less than full container load shipments: date on or after which goods should be available at the Container Freight Station (CFS) for loading on a vessel sailing.
12	Tender Not After (TNA)	This is the last date the vendor can tender goods (bring containers) to the Container Yard for full container loads or deliver goods to the CFS for less than container loads.
13	Expected Receipt Date (ERD) in U.S.	Date which goods are expected to be received at Circuit City Stores, Inc. facility in the U.S.
14	Type of shipment	FCL, LCL or air
15	Date of Booking	Date at which booking is made

2. Booking Mismatch Notice

#	Data Element	Description
1	PO #	Unique PO Identifier provided by Circuit City Stores, Inc.
2	Vendor name	Name of vendor
3	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
4	Booking request #	Unique booking request number assigned by freight forwarder
5	Description of mismatch	Specific description of data element that did not align with PO details of Circuit City Stores, Inc. shipping policies
6	Date of Booking	Date at which booking was requested

3. Goods Leave Factory Notice

#	Data Element	Description
1	PO #	Unique PO Identifier provided by Circuit City Stores, Inc.
2	Vendor name	Name of vendor
3	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
4	Unit quantity per SKU	Number of units for each SKU
5	Shipment date	Date the goods leave the factory
6	Destination	Delivery point at origin (e.g., Yantian CY, HK CFS)
7	Shipment number	Unique number provided by vendor that identifies each unique shipment to the CFS

4. Packing List

	Data Element	Description
1	PO #	Unique PO identifier provided by Circuit City Stores, Inc.
2	Sold to:	Circuit City Stores, Inc. Refer to complete address provided in Invoicing section
3	Ship to:	Address of location goods were shipped to, including a Circuit City Stores, Inc. location number. This should be the same as the location indicated in the PO
4	Freight terms	Indicates the point at which ownership of the goods transfers from vendor to Circuit City Stores, Inc. Consequently, also indicates who is responsible for payment of freight. Typical freight terms used by Circuit City Stores, Inc. include FOB, FCA or DDP. (Refer to Incoterms in Appendix for more detailed description of standard freight terms.)
5	Port of loading	Port at origin where goods will be loaded onto vessel
6	Port of destination	Port in U.S. where goods will be off-loaded
7	Payment terms	Days after receipt of invoice that payment is due (e.g. 2% 30 net 60)
8	Shipping marks	Listing of information provided on each carton
9	Vendor name	Name of vendor
10	Vendor number	Unique vendor identification number provided by Circuit City
11	Factory name	Factory name that manufactured the products
12	Factory address	Factory address that products were manufactured at
13	Unit quantity per SKU	Number of units for each SKU
14	Carton volume	Volume of carton in cubic feet by SKU
15	Carton weight	Gross weight of carton in pounds by SKU
16	Carton count	Carton count by SKU
17	Product description	Brief description of product (e.g. CD player)
18	Vessel name or Airline Name	Name of ocean vessel on which goods are loaded (if air shipment, name of airlines)
19	Voyage # or Airline Flight Number	Unique voyage number of vessel provided by freight forwarder (if air shipment, flight number)
20	Container # or Air Waybill #	Unique number for every container(s) used in the shipment (if air shipment, unique air waybill number)

5. Commercial Invoice

	Data Element	Description
1	PO #	Unique PO identifier provided by Circuit City Stores, Inc.
2	Invoice # Tri Trade Transaction	A) Unique invoice number provided by vendor. It is important that invoice numbers are not recycled or repeated. Circuit City Stores, Inc. system will not accept a duplicate invoice number. B) Invoice numbers must be 15 characters long or less.
3	Invoice date	Date when merchandise left vendor warehouse
4	Sold to party	Circuit City Stores, Inc. Refer to complete address provided in Invoicing section.
5	Ship-to location	Address of location goods were shipped to, including a Circuit City Stores, Inc.



Description	
	location number. This should be the same as the location indicated in the PO.
6	Vendor name Name of vendor
7	Vendor number Unique vendor identification number provided by Circuit City Stores, Inc.
8	Vendor factory address Address of vendor factory where goods are manufactured
9	Unit quantity per SKU Number of units for each SKU
10	Carton volume Volume of carton in cubic feet by SKU
11	Carton weight Gross weight of carton in pounds by SKU
12	Carton count Number of cartons by SKU
13	Product description Full and complete description of product
14	Circuit City Model # Model number of each SKU as provided by Circuit City Stores, Inc.
15	Container # Unique number assigned by carrier to each container. Note that Circuit City Stores, Inc. prefers invoices that provide detailed item information per container (e.g. quantity, brand/model #)
16	Port of loading Port at origin where goods will be loaded onto vessel
17	Port of destination Port in U.S. where goods will be off-loaded
18	Freight terms Indicates the point at which ownership of goods transfers from vendor to Circuit City Stores, Inc. Consequently, also indicates who is responsible for payment of freight. Typical freight terms used by Circuit City Stores, Inc. include FOB, FCA or DDP. (Refer to Incoterms in Appendix for more detailed description of standard freight terms.)
19	Vessel name Name of ocean vessel on which goods are loaded
20	Voyage # Unique voyage number of vessel provided by freight forwarder
21	Vessel sail date Date that vessel departs
22	L/C Number (if applicable) Unique L/C number as provided by bank
23	Country of origin The country where the product was manufactured (per each item if various countries of origin apply.)
24	Vendor signature Signature of Vendor
25	Payment terms Days after receipt of goods that payment is due (e.g. 2% net 30 or 60)
26	Net unit price Price should be net price. Discounts should be reflected as a separate line entry.
27	Total line cost Number of units multiplied by net unit price
28	Invoice total Sum of all line costs. The sum of the detailed line items must match the invoice total.
29	FCC information U.S. Federal Communications Commission requirements for goods such as cordless phones, walkie-talkies, etc. (as required)
30	FDA accession # U.S. Food and Drug Administration requirement on goods that have contact with body such as electronic body massagers (as required)
31	Declaration of that forced, convict, or indentured child labor was not used in production/manufacture of goods Must include statement: "We certify that all merchandise sold to Circuit City Stores, Inc. did not employ forced labor, convict labor, or indentured child labor in any stage of its mining, production or manufacture. We certify that this shipment contains no solid wood packing material."



6. Document Delay Notice (DDN)

Item	Field	Description
1	PO #	Unique PO identifier provided by Circuit City Stores, Inc.
2	Vendor name	Name of vendor
3	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
4	Documents missing	Specific names of documents missing
5	Original date due	Date that documents were originally due
6	Documents receipt date	Date that delayed documents are received
7	Vessel name	Name of ocean vessel on which goods are loaded
8	Voyage #	Unique voyage number of vessel provided by freight forwarder
9	Vessel sail date	Date that vessel departs
10	Master B/L #	Unique master bill of lading number provided by freight forwarder
11	Container #	Unique number assigned by carrier to each container
12	Goods on-board date	Date that goods are loaded onto vessel or plane
13	Airline (if applicable)	Name of air carrier used
14	Flight # (if applicable)	Flight number on which goods are loaded
15	Air waybill # (if applicable)	Unique air waybill # provided by freight forwarder
16	Plane departure date (if applicable)	Date when plane takes off

7. Delayed Document Arrival (DDA)

Item	Field	Description
1	PO #	Unique PO identifier provided by Circuit City Stores, Inc.
2	Vendor name	Name of vendor
3	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
4	Documents missing	
5	Original date due	
6	Vessel name	Name of ocean vessel on which goods are loaded
7	Voyage #	Unique voyage number of vessel provided by freight forwarder
8	Vessel sail date	Date when vessel departs
9	Master B/L #	Unique master bill of lading number provided by freight forwarder
10	Container #	Unique number assigned by carrier to each container
11	Goods on-board date	Date when goods are loaded onto vessel or plane
12	Airline (if applicable)	Name of air carrier used
13	Flight # (if applicable)	Flight number on which goods are loaded



14	Air waybill # (if applicable)	Unique air waybill # provided by freight forwarder
15	Plane departure date (if applicable)	Date when plane takes off

8. Shipping Documents Receipt (SDR)

1	PO #	Unique PO Identifier provided by Circuit City Stores, Inc.
2	Unit quantity per SKU	Number of units for each SKU
3	Vendor name	Name of vendor
4	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
5	Inspection certificate #	Number assigned by inspection service provider upon successful passing of inspection
6	L/C number (if applicable)	Unique L/C number as provided by bank
7	Documents receipt date	Date that documents are received
8	Vessel name	Name of ocean vessel on which goods are loaded
9	Voyage #	Unique voyage number of vessel provided by freight forwarder
10	Vessel sail date	Date that vessel departs
11	Goods on-board date	Date that goods are loaded onto vessel or plane
12	Commercial Invoice #	Commercial invoice number assigned by vendor
13	Cargo receipt date	Date when cargo is received by carrier or freight forwarder

9. Forwarder Cargo Receipt (FCR)

1	PO #	Unique PO Identifier provided by Circuit City Stores, Inc.
2	Vendor name	Name of vendor
3	Vendor number	Unique vendor identification number provided by Circuit City Stores, Inc.
4	Model (SKU) number	Number of unique model provided by vendor
5	Unit quantity per SKU	Number of units for each SKU
6	Carton/over pack quantity	Number of cartons
7	Carton volume	Volume of carton in cubic feet
8	Carton weight	Gross weight of carton in pounds
9	Master B/L #	Unique master bill of lading number provided by freight forwarder
10	Freight Forwarder Name	Name of freight forwarder issuing B/L
11	Vessel name	Name of ocean vessel on which goods are loaded
12	Voyage #	Unique voyage number of vessel provided by freight forwarder
13	ETD	Date when vessel/plane is expected to depart from origin port



CFS Container Freight Station. Location where less than container load shipments are delivered for consolidation into full containers before shipping via ocean freight.

CI Commercial Invoice

CTPAT Customs-Trade Partnership Against Terrorism. Program launched by United States Customs to ensure great levels of security in relation to goods movement into the United States.

CV Container Yard. Location typically controlled by ocean carrier where vendor delivers full container load shipments.

DI Direct Imports group within Circuit City

EDI Electronic Data Interchange. An electronic means of exchanging documents that standardizes the structure of the information and transmission method.

FCA Free Carrier. An International Commerce term which identifies the delivery of goods on truck, rail car or container at the specified point (depot) of departure, which is usually the seller's premises, or a named railroad station or a named cargo terminal or into the custody of the carrier, at seller's expense.

FCC Federal Communications Commission. U.S. government agency responsible for regulating communications by radio, television, wire, satellite and cable.

FCL Full Container Load

FCR Forwarder Cargo Receipt. Document provided by freight forwarder after all goods delivered and all required documents have been submitted.

FDA Food and Drug Administration. U.S. government agency responsible for regulating all food and health related products (goods like messengers are included within this category.)

FF Freight Forwarder

FOB Free On Board. An International Commerce term which identifies the delivery of goods on board the vessel at the named port of origin (loading), at seller's expense. Buyer is responsible for the main carriage/freight, cargo insurance and other costs and risks.

HBL House Bill of Lading

HC High Cube. Typically noted after a specific container size to indicate that container has higher volume capacity than standard size container (e.g., 40HC versus standard 40' container.)

HTC Harmonized Tariff Code

IDC Intermediate Distribution Center. Ship-to destination in the U.S. that Circuit City Stores, Inc. uses to deconsolidate and re-sort for distribution to regional distribution centers.

L/C Letter of Credit

LCL Less Than Container load



Overflow Goods from a particular purchase order that were not loaded because total amount exceeds container capacity.

PO Purchase Order

POD Proof of Delivery

RDC Regional Distribution Center. Circuit City inventory locations from which goods are distributed to retail stores.

SDR Shipping Documents Receipt. Document provided by Circuit City to vendor after all Customs documents have been review and confirmed accurate.

SKU Stock keeping unit. Also referred to as model and is typically associated with a unique identifying number.

TNA Tender-not-After. This is the last date the vendor can tender goods (bring containers) to the Container Yard for full container loads or deliver goods to the CFS for less than container loads.

TNB Tender-not-Before. This is the first date the vendor can tender goods (bring containers) to the Container Yard. For less than full container load shipments: date on or after which goods should be available at the Container Freight Station (CFS) for loading on a vessel sailing.

7.3 SDR Procedures for Vendors (Ocean Freight)

1. Once ocean freight is booked and containers picked up from carrier, documents may be prepared.
2. Refer to the appendix for information required on invoice and packing list. (Upon request, invoice and packing list template are available.)
3. Invoice, packing list, and any FCC and/or FDA documentation should be submitted to import_operations@circuitcity.com ONLY, with a subject line stating "SDR Request for P.O. xxxxxxxx".
4. Send SDR request for FCL: 7-10 days prior to ETD of the vessel.
5. Send SDR request for LCL: As soon as the shipping order is received from the forwarder.
6. Do **NOT** copy the forwarder on the e-mail. This creates confusion!
7. There is to be one (1) P.O. per set of documents.
8. If vendor gets an "undeliverable" message, check e-mail address and try re-sending. For repeated undeliverable messages, fax documents per the below instructions.
9. If vendor cannot email documents, then fax to 804-934-3865. A cover sheet is required indicating the e-mail address where the SDR or any request for revisions is to be sent. Cover sheet subject line should state, "SDR Request for P.O. xxxxxxxx".
10. Do **NOT** request more than (1) SDR per e-mail or fax.
11. No format preference is required; however, scanned or faxed documents must be legible upon receipt. Documents should be formatted to print automatically on 8.5" x 11" paper, and the font size must be clearly legible.
12. Documents are reviewed in the order of receipt, first come, first served. NO exceptions for documents submitted late!
13. Expect two (2) business days turnaround for the SDR request. Penalties will not be waived for late submission to forwarder if it resulted from not submitting documents 7-10 days prior to vessel ETD for an SDR.
14. Circuit City's business days are Monday-Friday, 8:30 AM to 5:00 PM EST. Any documents received after 2 PM EST, Saturday, Sunday, or legal holidays, are considered received as of the next business day. For vendors in non-Eastern time zones, do not expect responses within your business hours.



15. Do **NOT** send multiple e-mails; ~~this will not expedite your SDR~~. Your cooperation with this is greatly appreciated.
16. Adherence to the above rules will result in the SDR issuance in reply to vendor's e-mail request.
17. If revisions are required, then the two (2) business days start again as of receipt of revisions. Revisions are treated as a new submission and are reviewed in the order of receipt into the Import Operations mailbox. No priority is given to revisions.
18. If vendor has not received a reply to an SDR request after the two (2) business days have passed, then the vendor should send an email to import_operations@ciircity.com **ONLY** with the subject line "Status Request for SDR of P.O. xxxxxxx". Please do not copy the personal emails of the Customs Compliance team or resend documents with this status request. If the documents are required, we will ask that they be resent. This is very important, as it is the vendor's responsibility to ensure that the document packet is submitted to the forwarder within 3 days of vessel departure—the delayed document penalty will not be waived if vendor has not requested status of an SDR request after 2 business days.
19. Vendor is responsible for submitting the document package as outlined in the Customs Clearance section to the forwarder. The invoice and packing list submitted to the Forwarder are to be the same ones approved for the SDR. The document package is to be submitted to the forwarder within 3 days of vessel sailing.
20. SDR is not required for air shipments.

7.4 C-TPAT Security Criteria & Supply Chain Security

C-TPAT Security Criteria Importers

Circuit City conducts comprehensive assessments of its international supply chain based upon the following C-TPAT security criteria. The supply chain for C-TPAT purposes is defined from point of origin (manufacturer/supplier/vendor) through to point of distribution – and recognizes the diverse business models C-TPAT members employ.

C-TPAT recognizes the complexity of international supply chains and endorses the application and implementation of security measures based upon risk analysis. Therefore, the program allows for flexibility and the customization of security plans based on the member's business model.

Appropriate security measures, as listed throughout this document, must be implemented and maintained throughout the Circuit City's supply chain – based on risk.

7.4.1 Business Partner Requirement

Circuit City will have written and verifiable processes for selection of business partners including manufacturers, product suppliers and vendors.

Security procedures

For those business partners eligible for C-TPAT certification (carriers, ports, terminals, brokers, consolidators, etc.) Circuit City must have documentation (e.g., C-TPAT certificate, SVI number, etc.) indicating whether these business partners are or are not C-TPAT certified.

For those business partners not eligible for C-TPAT certification, Circuit City requires its business partners to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation (e.g., contractual obligations; via a letter from a senior business partner officer attesting to compliance; a written statement from the business partner demonstrating their compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; or, by providing a completed Importer security questionnaire). Based upon a documented risk assessment process, non-C-TPAT eligible business partners must be subject to verification of compliance with C-TPAT security criteria by Circuit City.

Point of Origin

Circuit City Stores, Inc.
Circuit City Direct Import Vendor Guide V 4.0 March 2006.doc



Circuit City will ensure that its business partners develop security processes and procedures consistent with the C-TPAT security criteria to enhance the integrity of the shipment at point of origin. Periodic reviews of business partners' processes and facilities are conducted based on risk, and should maintain the security standards required by Circuit City.

Participation / Certification in Foreign Customs Administrations Supply Chain Security Programs
Current or prospective business partners who have obtained a certification in a supply chain security program being administered by foreign Customs Administration shall be required to indicate their status of participation to Circuit City.

Other Internal criteria for selection

Internal requirements, such as financial soundness, capability of meeting contractual security requirements, and the ability to identify and correct security deficiencies as needed, shall be examined by Circuit City. Internal requirements shall be assessed against a risk-based process as determined by an internal management team.

7.4.2. Container Security

Container integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At point of stuffing, procedures must be in place to properly seal and maintain the integrity of the shipping containers. A high security seal must be affixed to all loaded containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.

7.4.3. Container Inspection

Procedures must be in place to verify the physical integrity of the container structure prior to stuffing, to include the reliability of the locking mechanisms of the doors. A seven-point inspection process is recommended for all containers:

- Front wall
- Left side
- Right side
- Floor
- Ceiling/Roof
- Inside/outside doors
- Outside/Undercarriage

Container Seals

Written procedures must stipulate how seals are to be controlled and affixed to loaded containers — to include procedures for recognizing and reporting compromised seals and/or containers to US Customs and Border Protection or the appropriate foreign authority. Only designated employees should distribute container seals for integrity purposes.

Container Storage

Containers must be stored in a secure area to prevent unauthorized access and/or manipulation. Procedures must be in place for reporting and neutralizing unauthorized entry into containers or container storage areas.

7.4.4 Physical Access Controls

Access controls prevent unauthorized entry to facilities, maintain control of employees and visitors, and protect company assets. Access controls must include the positive identification of all employees, visitors, and vendors at all points of entry.

Employees

An employee identification system must be in place for positive identification and access control purposes. Employees should only be given access to those secure areas needed for the performance of their duties. Company management or security personnel must adequately control the issuance and removal of employee, visitor and vendor identification badges. Procedures for the issuance, removal and changing of access devices (e.g. keys, key cards, etc.) must be documented.

Visitors

Visitors must present photo identification for documentation purposes upon arrival. All visitors should be escorted and visibly display temporary identification.

Deliveries (including mail)

Proper vendor ID and/or photo identification must be presented for documentation purposes upon arrival. Arriving packages and mail should be periodically screened before being disseminated.

Challenging and Removing Unauthorized Persons

Procedures must be in place to identify, challenge and address unauthorized/unidentified persons.

7.4.5 Personnel Security

Processes must be in place to screen prospective employees and to periodically check current employees.

Pre-Employment Verification

Application information, such as employment history and references must be verified prior to employment.

Background checks / Investigations

Consistent with foreign, federal, state, and local regulations, background checks and investigations should be conducted for prospective employees. Once employed, periodic checks and reinvestigations should be performed based on cause, and/or the sensitivity of the employee's position.

Personnel Termination Procedures

Companies must have procedures in place to remove identification, facility, and system access for terminated employees.

7.4.6 Procedural Security

Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain.

Documentation Processing

Procedures must be in place to ensure that all information used in the clearing of merchandise/cargo, is legible, complete, accurate, and protected against the exchange, loss or introduction of erroneous information. Documentation control must include safeguarding computer access and information.

Manifesting Procedures

To help ensure the integrity of cargo received from abroad, procedures must be in place to ensure that information received from business partners is reported accurately and timely.

Shipping & Receiving

Arriving cargo should be reconciled against information on the cargo manifest. The cargo should be accurately



described, and the weights, labels, marks and piece count indicated and verified. Departing cargo should be verified against purchase or delivery orders. Drivers delivering or receiving cargo must be positively identified before cargo is received or released.

Cargo Discrepancies

All shortages, overages, and other significant discrepancies or anomalies must be resolved and/or investigated appropriately. Customs and/or other appropriate law enforcement agencies must be notified if illegal or suspicious activities are detected - as appropriate.

1.4.7 Security Training and Threat Awareness

A threat awareness program should be established and maintained by security personnel to recognize and foster awareness of the threat posed by terrorists at each point in the supply chain. Employees must be made aware of the procedures the company has in place to address a situation and how to report it. Additional training should be provided to employees in the shipping and receiving areas, as well as those receiving and opening mail. Additionally, specific training should be offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies, and protecting access controls. These programs should offer incentives for active employee participation.

Physical Security

Cargo handling and storage facilities in domestic and foreign locations must have physical barriers and deterrents that guard against unauthorized access.

Fencing

Perimeter fencing should enclose the areas around cargo handling and storage facilities. Interior fencing within a cargo handling structure should be used to segregate domestic, international, high value, and hazardous cargo. All fencing must be regularly inspected for integrity and damage.

Gates and Gate Houses

Gates through which vehicles and/or personnel enter or exit must be manned and/or monitored. The number of gates should be kept to the minimum necessary for proper access and safety.

Parking

Private passenger vehicles should be prohibited from parking in or adjacent to cargo handling and storage areas.

Building Structure

Buildings must be constructed of materials that resist unlawful entry. The integrity of structures must be maintained by periodic inspection and repair.

Locking Devices and Key Controls

All external and internal windows, gates and fences must be secured with locking devices. Management or security personnel must control the issuance of all locks and keys.

Lighting

Adequate lighting must be provided inside and outside the facility including the following areas: entrances and exits, cargo handling and storage areas, fence lines and parking areas.

Alarm Systems & Video Surveillance Cameras

Alarm systems and video surveillance cameras should be utilized to monitor premises and prevent unauthorized access to cargo handling and storage areas.



7.4.8 Information Technology Security

Password Protection

Automated systems must use individually assigned accounts that require a periodic change of password. IT security policies, procedures and standards must be in place and provided to employees in the form of training.

Accountability

A system must be in place to identify the abuse of IT including improper access, tampering or the altering of business data. All system violators must be subject to appropriate disciplinary actions for abuse.



ACKNOWLEDGEMENT AND AGREEMENT

Thank you for taking the time to thoroughly review the requirements specific to Circuit City direct import vendors contained in the Direct Import Vendor Guide, version 4.0 (March 2006). This Direct Import Vendor Guide is subject to the terms of the Primary Contract between you and Circuit City, as applicable. The applicable Primary Contract and this Direct Import Vendor Guide, and any other documents incorporated therein or herein by reference, shall constitute your agreement with Circuit City for the purchase and sale of goods. In the absence of a Primary Contract, this Direct Import Vendor Guide shall continue to be binding on the vendor named below. Circuit City may choose, at its sole discretion, to waive certain provisions of this Direct Import Vendor Guide either within the terms and conditions of a Primary Contract, or by express consent. This Direct Import Vendor Guide shall be governed by the laws of the Commonwealth of Virginia, U.S.A. (other than its conflicts of laws provisions).

Please sign and return this page to the Strategic Sourcing Team, Attention: Operations Manager, 9950 Mayland Drive, Richmond, VA 23233-1464, Fax: 804-342-6455. The vendor named below acknowledges that Circuit City's electronic signature below shall indicate its intent to bind vendor to the terms hereof. Circuit City looks forward to a mutually profitable business relationship.

Sincerely,

Debbie Crawford, Sourcing Services Operations Manager

I acknowledge and agree that the vendor named below shall be bound by the terms, procedures, and conditions contained in this Direct Import Vendor Guide, version 4.0 (March 2006), and that I will be responsible for compliance by the manufacturers/factories that I represent (if applicable). I further understand that vendor's invoices may be subject to certain non-compliance fees for failure to follow such procedures, and that Circuit City may have other rights (including termination of product orders) for vendor's failure to comply with this Direct Import Vendor Guide. I also acknowledge that Circuit City may require vendor to acknowledge and agree to updates to this Direct Import Vendor Guide from time to time.

Vendor Corporate Name

Signature of Authorized Representative

Title

Printed Name

Date



C-TPAT SECURITY QUESTIONNAIRE AND ACKNOWLEDGEMENT

No.	Due Diligence/Guide	Yes (Y)	No (N)	Comments
1.	Your role with Circuit City is that of a (circle one): a. Vendor (representing factory/manufacturer) b. Factory/Manufacturer c. Other: _____			
2.	Have you read the C-TPAT Security Criteria as attached to the Appendix in the Direct Import Vendor Guide and compared to your overall security practices?			
3.	Does the company have a security program or process in place to prevent container tampering?			
4.	Does the company affix high security seals that meet or exceed PAS ISO 17712 standards to containers prior to shipping to Circuit City?			
4a.	If yes, are the seals maintained in a secure location?			
5.	Are empty containers maintained in a secured location to prevent unauthorized access prior to loading for Circuit City?			
6.	Once containers are loaded, are they also maintained in a secured location to prevent theft or unauthorized access?			
7.	Does the factory have physical access controls to prevent the unauthorized entry of personnel to restricted areas?			
8.	Have you developed and communicated a process to report shipment overages/shortages, breaches of security, or other abnormalities to Circuit City staff?			
9.	Is your company currently participating in any supply chain security program recognized by an accrediting agency (i.e. World Customs Organization (WCO))?			
9a.	If so, please list the program in the "Comments" section.			

I hereby declare that the information provided above is true and accurate to the best of my knowledge and belief. Any changes or updates to the above questionnaire will be communicated in writing to the appropriate representative at Circuit City.

Name: _____ Title: _____

Signature: _____ Date: _____